

DRAFT



**Arizona Automobile Theft Authority
Board of Directors Meeting Minutes**

Friday, January 19th, 2018

AATA Office- 2nd Floor Conference Room

1110 W. Washington Suite 250, Phoenix AZ 85007

Board Members Attendance:

Dean Butler, Chair – Farmers Insurance Company
Chief Daniel Sharp, Vice-Chair – Oro Valley Police Department, Deputy Chief Aaron Lesuer representing
Sheriff Paul Penzone- Maricopa County Sheriff's Office – Deputy Chief Fred Aldorasi representing
Sheriff Joseph Dedman, Jr. – Apache County Sheriff's Office – (Telephonic)- arrival 10:40 am
Joe Brosius – Public Member – **NOT PRESENT**
Director Eric Jorgensen – ADOT, Motor Vehicle Division, Jackie Gentner representing
Director Frank Milstead – Arizona Department of Public Safety, Lieutenant Cornel Heston Silbert, representing
Chief Roy Minter – Peoria Police Department- **NOT PRESENT**
Bill Montgomery – Maricopa County Attorney's Office, MCAO Auto Theft Bureau Chief Kristen Sherman representing
Matt Reed – State Farm Insurance Company
Mary Snider- Public Member

Public/Guests:

Rob Smith – Renaud Cook Crury Mesaros, PA
Lieutenant Dalin Webb – Phoenix Police Department
Commander Chris Tucker- Phoenix Police Department
Sergeant Jason Davis- Phoenix Police Department
Yvette Echandi-Mott – La Paz County Attorney's Office (Telephonic)
Amy Gardner- Mohave County Attorney's Office (Telephonic)
Wendy McHood- La Paz County Attorney's Office (Telephonic)
Allen Quist- Pinal County Attorney's Office (Telephonic) – arrival 10:22 am
Captain Damon Cecil- Arizona Vehicle Theft Task Force, Department of Public Safety

AATA Staff:

Frederick W. Zumbo, AATA Executive Director
Art Myer, AATA Chief Financial Officer
Ann Armstrong, AATA Grants Administrator
Amanda O'Halloran, AATA Administrative Assistant II

AATA Legal Council:

Tom Raine, Assistant Attorney General, AZ Attorney General's Office

I. CALL TO ORDER AND ROLL CALL

Mr. Dean Butler, AATA Board Chairman, called the meeting to order at 10:00 a.m., 2nd Floor Conference Room, AATA Office- 1110 W. Washington St, Suite 250, Phoenix AZ 85007

It was determined enough board members were present to meet quorum.

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- Executive Director Zumbo advised another idea for FY'19 Budget is to begin an LPR program for detection and recovery for stolen vehicle and we could use our fund balance for.
- Executive Director Zumbo presented the HB 2002 documentation that is being presented to Legislature.
- Ms. Snider asked if HB 2002 has any other legislative support besides author.
 - Executive Director Zumbo advised that he did not know.
 - Chairman Butler advised this is a grass roots effort at this point.
- Executive Director Zumbo advised that AATA needs to be careful with the fund balance because our budget requests are over what we currently collect to pay down the fund balance, until our collections match our budget needs.
- Executive Director Zumbo advised that Rep. Livingston is an insurance guy and very supportive of the agency.
- Ms. Gardner requested that a recap of the Governor's recommendation
 - Chairman Butler provided the recap of AATA be moved to AZDPS
 - Ms. Gardner asked what the financial implications of that would be.
 - Chairman Butler advised that the assumption is that the budget would go with it. Advised if it happens AATA would operate as is but under DPS.
- AATA Grant Funded Bait Car Equipment- Review, considerations & possible action
 - Executive Director Zumbo advised there is little documentation of a plan or program of how this grant (referring to MCSO and Phoenix's Grant) was to be carried out and that this grant was negotiated prior to Executive Directors Zumbo coming on board with the AATA. After the audit, Executive Director wanted to allow Phoenix to advise what happened in regards to this grant.
 - Commander Chris Tucker, introduced himself, Lt. Dalin Webb as a member of the Property Crimes Bureau and Sargent Jason Davis who is over the Auto Theft Detail, all with the Phoenix Police Department.
 - CDR Tucker advised that he too was also not in his current position at the time the grant was given to Phoenix Police department.
 - CDR Tucker advised the grant, as always is very much appreciated by the department.
 - CDR Tucker advised that Phoenix P.D. has been working with the Fiscal Management Bureau who are in charge of ensuring compliance with the guidelines of the grant are covered, and advise they feel they have met those guidelines and can provide supporting documentation to support this.
 - CDR Tucker advised that the grant has expired at this time and no longer in effect.
 - CDR Tucker, on behalf of Phoenix PD, offer the bait equipment back to the AATA board, pending approval, to be reutilized to another jurisdiction.
 - Executive Director Zumbo concurs with Phoenix PD's position and includes Maricopa County Sheriff's Office in this thought. Executive Director Zumbo reiterated the program was not well thought out, there is no documentation or expectation of how this grant was to be carried out. Advised he is ok with the bait car and equipment to be used for other purposes but also felt that the vehicle and equipment should also be used for their original intended purposes. Executive Director Zumbo advised they were asked to come to present to find a solution for future grants. Executive Director Zumbo advised it serves no purpose for the AATA to take the equipment back.

- Executive Director Zumbo advised there were additional factors that were not addressed. Additional monies were required to keep the equipment running, as well as changes on the Phoenix Police Department side that prohibited it from being used.
- Mr. Reed asked if there is any official action needed.
 - Executive Director Zumbo requested to have a motion from board to consider both Phoenix Police Department and Maricopa County Sheriff's Office grant closed giving them ownership of the equipment in question.
- Chairman Butler presented concern that if grant said board will take action and did not how that would be perceived.
 - Sgt Davis advised that the 1st two years the grant was active and equipment was used as required.
 - Mr. Raine advised that going forward that the board plan for scenario includes a mechanism for taking back equipment for future events.
- Chairman Butler brought up the concern of paying \$3,000 for an audit when action is not being taken.
 - Executive Director Zumbo advised audits for grantee are an administrative cost of business and something under best practices.
 - Mr. Reed concurred and that board is understanding that better metrics will be required for future grants.

Mr. Reed motioned to close out the Phoenix Police Department and Maricopa County Sheriff's department grant.

Ms. Snider second motioned.

- Deputy Chief Aldorasi recused from vote.

Motioned passed unanimously.

IV. AATA FINANCIAL UPDATE, DISCUSSION AND POSSIBLE ACTION

Mr. Myer presented the AATA financial report.

AATA Financial Summary as of December 31, 2017

Schedule 1 - Fund Balance Report

1. Total YTD recorded income, Line 2: **\$3,197,519.**
2. Total expended (excludes Reimbursable Programs), Line 3: **\$2,576,091.**
3. Legislative Transfers, Line 4: **\$0.**
4. Total expended Reimbursable Programs, Line 5: **\$0.**
5. Adjustments, Line 6: **\$0.**
6. Encumbrances, Line 11: **\$1,093**
7. Ending Fund Balance, per AFIS, Line 13: **\$2,385,972.**

Schedule 2 - YTD Revenue

1. Insurance revenue received for the first assessment period of the current fiscal year (FY18), Line 1: **\$3,179,196.**
2. Reimbursable Programs, Line 5: **\$0.**
3. Investment income YTD, Line 8: **\$16,419.**
4. Refunds of Unused Grant Funds (Prior Year), Line 9: **\$1,905.**

12. **Line 12:** is the ratio of administrative expenses to total expenses. Projected to be 7.22% and currently 7.23% of total agency expenditures.

Schedules 5-9 - Provide detail of AATA expenditures by program area.

Schedule 10 – Non-Appropriated Funds (Sims Metal Management)

1. Beginning Balance, Line 1: **\$29,664.**
2. Travel: In-State, Line 9: **\$315**
3. Aid to Organizations, Line 11: **\$9,394.**
4. Other Operating Expenses, Line 12: **\$1,100.**
5. Transfers-Out, Line 14: **\$1,572.**
6. Total Expenditures, Line 15: **\$12,381.**
7. Encumbrances, Line 16: **\$0.**
8. Ending Balance, Line 17: **\$17,283.**

Schedule 11 – Projected (Revised) FY '18 Spending Plan (Q1-Q4).

Quarter 1: July (Actual)

1. Beginning FY18 Fund Balance, Line 1: **\$1,765,637**
2. Investment Income, Line 2: **\$0**
3. Insurance Collections, Line 3: **\$1,922,794**
4. Transfer to Special Project, Line 7: **\$0**
5. Total Lump Sum expenditures, Line 13: **\$36,847**
6. Total Grant expenditures, Line 24: **\$912,500**
7. Ending fund balance, Line 26: **\$3,267,275**

August (Actual)

1. Beginning Fund Balance, Line 1: **\$3,267,275**
2. Investment Income, Line 2: **\$1,901**
3. Insurance Collections, Line 3: **\$1,133,152**
4. Total Lump Sum expenditures, Line 13: **\$53,640**
5. Total Grant expenditures, Line 24: **\$226,291**
6. Ending fund balance, Line 26: **\$3,596,110**

September (Actual)

1. Beginning Fund Balance, Line 1: **\$3,596,110**
2. Investment Income, Line 2: **\$4,159**
3. Insurance Collections, Line 3: **\$123,250**
4. Total Lump Sum expenditures, Line 13: **\$38,778**
5. Total Grant expenditures, Line 24: **\$0**
6. Ending fund balance, Line 26: **\$3,684,742**

Quarter 2: October (Actual)

1. Beginning Fund Balance, Line 1: **\$3,684,742**
2. Investment Income, Line 2: **\$4,234**
3. Insurance Collections, Line 3: **\$0**
4. Total Lump Sum expenditures, Line 13: **\$75,202**

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4. Total Lump Sum expenditures, Line 13: \$53,266
5. Total Grant expenditures, Line 24: \$1,151,925
6. Ending fund balance, Line 26: \$3,074,212

May (Projected)

1. Beginning Fund Balance, Line 1: \$3,074,212
2. Investment Income, Line 2: \$0
3. Insurance Collections, Line 3: \$0
4. Total Lump Sum expenditures, Line 13: \$53,267
5. Total Grant expenditures, Line 24: \$0
6. Ending fund balance, Line 26: \$3,020,945

June (Projected)

1. Beginning Fund Balance, Line 1: \$3,020,945
2. Investment Income, Line 2: \$7,500
3. Insurance Collections, Line 3: \$0
4. Total Lump Sum expenditures, Line 13: \$54,392
5. Total Grant expenditures, Line 24: \$0
6. Ending fund balance, Line 26: \$2,950,164

FY18 Budget Highlights:

1. Lump Sum: \$637,800 (Original)
2. Lump Sum: 637,800 (BOB Adjustment): \$5,900 increase (Health Insurance Adjustment).
Net change: \$5,900
3. Lump Sum (Adjusted): \$643,700

Special Line Items: \$4,607,700

4. Arizona Vehicle Theft Task Force: \$3,650,000
5. Local Grants: \$957,700
6. Reimbursable Programs: \$50,000

Total Special Line Items: \$4,657,700 (Grant Programs: \$4,607,700)

Grant Program Breakdown:

Task Force: \$3,650,000
Vertical Prosecution: \$930,942
Public Awareness: \$23,758
Law Enforcement Grants: \$1,000
Professional Training: \$1,000
Emergency/Discretionary: \$1,000

V. AATA PUBLIC AWARENESS & GRANT PROGRAMS REPORT

- GENERAL UPDATE, DISCUSSION AND POSSIBLE ACTION

Ms. Armstrong advised the Cargo Theft and Trailer Identification Training for Feb 8th
In partnership with Travelers Insurance at Scottsdale Police Department.

Ms. Armstrong advised plans for another AATA VIN Etching Event in March.

- Advised of Christmas eve and Christmas Day thefts involving house breaks in and stolen key fobs.

X. **ARIZONA VEHICLE THEFT TASK FORCE REPORT, DISCUSSION AND POSSIBLE ACTION**

Captain Cecil advised of reduction of force to balance their budget. One squad has been lost with one sergeant which has balanced their budget. Advised that because of this it has effectively lowered their productivity in addition to the loss of 3 Maricopa Officer out on FMLA as well as a few injuries that couldn't be projected. Advised from Oct to November their recover rate dropped 30% and down to 60% in December. Captain Cecil advised that holiday probably attributed to Dec's increase and feels that Nov will be there better gauge for what the new recovery rate will be productive wise.

Captain Cecil recapped two current cases.

- Two stolen vehicles in Mesa. Was able to stop it occupied. Involves a crew from California that was forging gift cards out of Safeway for approximately \$500,000. Stolen vehicles in this case are rental cars.
 - Advised that Task force is starting to track workloads on rental vehicles and UHAULS.
 - Says rentals are being rented with forged ids, credit cards or fail to returns.
- MCSO collaboration that started off as a home invasion robbery where 2 vehicles were stolen. MCSO Called Task force to assist. Task force was able to track one vehicle through Iphone that was in vehicle. In the process and surveillance, they started finding vehicles that involved in other home invasions out of Scottsdale PD and stumbled upon a home invasion crew and additional stolen vehicles. Crew fired shots at one of the dogs in the home invasions. MCSO and Scottsdale PD are working home invasions as Task force works the stolen vehicles.
 - Deputy Chief Aldorasi thanked Capt. Cecil for their assistance on behalf of MCSO and added that the Task force was able to have one of the vehicle returned within 24 hrs.

XI. **CALL TO THE PUBLIC**

Chairman Butler called to the public- No reply

XII. **REPORTS ON CURRENT EVENTS, MATTERS OF BOARD PROCEDURE, REQUESTS AND ITEMS FOR FUTURE AGENDAS:**

Chairman Butler advised no reports or current events.

Meeting adjourn at 11:02am.

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Dated this 16th day of March, 2018.

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By: 

Dean C. Butler, AATA Board Chairman